



The Sudanese Free Zone



## Precise and impartial approach

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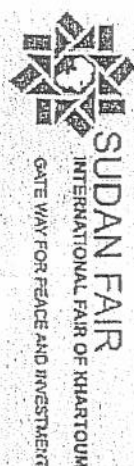
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#### Incentives and facilities

1. 100% ownership
2. 100% repatriation of Capital and Profits
3. No Personal Income Tax
4. No corporate tax for 15 years renewable
5. No currency restrictions
6. No restrictions on entry and stay permits.
7. Freedom of Labor recruitment
8. Abundant and cost effective raw material and production resources
9. Preferential markets in the regional economic group of COMESA (Common Market for East and South Africa)

#### FOREWORD:

When the Sudanese Free Zones and Markets Company Act 1993 was declared by the President this was actually a national announcement for Sudan to penetrate the international arena of Free Zones industry in accordance, the Sudanese Free Zones Act 1994 has been structured delegating and authorizing the SFZ to adopt, implement and enhance the Free Zones Projects and investments.



Evidently, the Strategic location together with the diversified natural and productive resources of Sudan constitute and avail an attractive investment platform in the Sudanese free Zones.

Forwarding these General regulations of the Sudanese free Zones, the SFZ aims at furnishing investors with the stipulated details of the Free Zones Act 1994 elaborating the rights and duties in addition to facilities and incentives to ease the performance of investments.

Yet, the pages of this publication will always remain open to host further supporting decisions and circulars for making the bases and detailed rules for the implementation of the provisions of these regulations as stated herein in Chapter (VII) Article (49).

#### **The Free Zones And Duty Free Shops Act, 1994**

This Act may be cited as the Free Zones and Duty Free Shops Act, 1994 adopted by transitional national assembly date July 1995 and signed by the president of the republic dated 11 August 1995  
Hints of Act

#### **Establishment of the Free Zones:**

The Council of Ministers shall by resolution establish free zones in the Republic of Sudan on a recommendation made by the competent Minister after consultation with the company.

#### **Objectives of Free Zones (5-(1):**

The objectives of the Free Zones shall be:

To increase the national income in hard and other currencies in order to encourage, promote, diversify, and improve the quality of Sudanese manufactured and semi manufactured goods for exports and to create new markets for them,

To introduce and develop the industrial, storage and marketing technologies and to provide or train Sudanese workers therein;

To attract national and Foreign Capital for investment in the fields to be specified by the board.

#### **Management of Free Zones (6)**

The company alone shall, responsibility to manage, invest and develop and to ensure the safety of the establishments within the Free Zone".

#### **Exemptions and Privileges (9)**

The industrial, commercial, and services investment projects approved to established within the Free Zone shall enjoy the following exemptions and privileges:

Exemption of the project profits from the business profit tax for fifteen years, renewable for further period or periods subject as determined by the competent minister, and such period shall begin from the year of estimation beginning of production, or the start of performance of investment activity as the case many be:

Exemption from income tax of salaries and emoluments of non Sudanese employees working in the projects located in he free zone,

Exemption of the goods imported to the Free Zone, or exported from to non-local



market, of all customs duties, fees and relevant taxes, provide that such exception shall not include the local fees of services and costs charged by the board.

Exemption of buildings and other real estate in the zone from all taxes and fees,

Permission to transfer the invested capital in the free zone, and the profits gained there from, to outside the Sudan through a licensed bank within the free zone,

Exemption of the products of the industrial projects within the free zones from the customs duties within the limits of local materials, costs and expenditures incurred in their manufacturing, provided that the value thereof shall be estimated by a committee to be constituted by the board for this.

#### **Guarantees**

The capital invested in the Free Zones shall not be nationalized, confiscated, sequestrated, or having a receiver appointed thereof.

#### **Transit Goods**

Subject to agreements binding on the Republic of Sudan, the transit goods across the border of the republic of Sudan may be stored at the Free Zone, under the supervision of the Customs authorities at the entrance and exit thereof.

#### **Rents**

Notwithstanding the provisions of any other Act, the company shall have the right to hire its establishments and real estates, subject to the terms to be agreed upon with the third parties.

#### **The General Free Zones regulation 1998**

In accordance with the powers conferred upon it by section 18 of the Free Zones Co. Act 1994, the board of Directors of the Sudanese free Zones and Markets Co., hereby makes the following regulations:

#### **Preliminary Provisions**

Title and Commencement "These regulations may be cited as "The General Free Zones Regulations 1998" and shall come into force as from the date of signature.

#### **Application**

These regulations shall be applied to all the free Zones established in the Sudan.>

#### **Interpretation**

#### **In these regulations:**

The words and phrases contained herein shall have the same meanings given thereto in the free zones and markets Act 1994.  
Unless the context otherwise requires

1. Goods means all different types of commodities and materials
2. Company means the Sudanese Free Zones and Markets Company.
3. Act means the Free Zones and Markets Act 1994 Board" means the board of directors of the Sudanese free Zones and Markets Company
4. Director means the Director General of the Sudanese Free Zones and Markets Company
5. Manager means the manager of the General administration of the Free Zones
6. Area Manager means the manager of any of the Free Zones concerned
7. Warehouses" means yards, buildings sheds and other constructions built or authorized to be built by the company in a free zones
8. Project means any commercial, industrial or service investment project approved in accordance with the provisions of these regulations
9. Free Zones means the Free Zones established under section 4 of the Act, and includes part of the land of the Republic of Sudan demarcated by a fence and deposited therein the goods for the purpose warehousing, manufacturing, and forwarding services, without levy of any activity carried inside the Free Zone to the law and the regulations made there under.
10. Depositor mean the person to whose order or in whose name the goods destined for storage or consigned and person to whom the goods are legally transferred and shall include the holder of the original bill of lading and their legally delegated agents.

## **Chapter 2**

### **Investments in the Free Zones Exemptions and Guarantees**

The industrial, commercial and service investment projects approved in the free Zone shall enjoy the exemptions and guarantees provided for in sections 9(2) and 10 of the Act as follows:

- (a) Exemption of all imported or exported goods, other than to the local market, from all customs taxes and fees, with the exception of the services fees and costs levied by the board and exemption of all estate utilities constructed in the free zone from all fees taxes and levies,
- (b) Permission to transfer the invested capital in the Free Zone and the profits thereof, outside the Sudan through an authorized Bank inside the Free Zone,
- (c) Exception of the products of the industrial projects in the Free Zone from the customs fees,
- (d) The invested funds in the free zone shall not be subject to nationalization, confiscation or possession or sequestration,

#### **Registration of Companies in the Free Zones**

Any investor in the field of industry, commerce or services shall not start business in the free zones without being registered in a special register with the commercial registrar inside the free zone after obtaining the approval of the director and the board. The director in consultation with the general commercial registrar shall take the

necessary steps to establish the commercial registrar office inside the Free Zone.  
The company shall take steps to keep a register to enter therein the investors registered under sub division (1) in the Industrial, commercial and service fields according to the decisions of the director.

#### **License of Industrial Projects**

Application for the construction of any Investment Industrial project, shall be submitted to the director of the are manager, as the case may be, comprising all details specified in the relevant form including the required area of land for the project.

There shall be attached with the application financial deposit to be determined by the Director from time to time, such deposit shall not be refunded in case of failure to execute the project mentioned in the application provided that such deposit may be deducted from the actual amount of the rent in case of acceptance of the application and in case of rejection of the application the investor shall have the right to recover the amount of deposit.

The application shall be studied by an investment technical committee to be formed by the director to obtain its opinion concerning the project to be constructed and submit recommendation to the board.

The director shall inform the applicant with the decision of the board in relation to the submitted application according to subsection (1) within one week from the date of such decision and shall be informed with the approval giving him a period of two months of the date of such decision and shall be informed with the approval giving him a period of two months of the date of such information to complete the rent procedures and signature of the necessary contracts and after insuring he has relieved the decision and such period has elapsed the approval decision terminate and the applicant shall lose his right on the deposit.

The applicant shall be given a period of two months to forward the technical or engineering maps for the buildings constructions utilities for the study thereof and the Director may extend such period for another month.

After approval of the maps according to the provisions of sub section (5) the investor shall start construction of the establishments within one month and the director may extend such period for another month.

#### **License of Commercial and Service Project**

Application for license to construct a commercial or service project shall be submitted to the director or the area manager as the case may be on the relevant form for approval thereof provided that a deposit as determined by the director from time to time shall be attached with the application.

When a decision of approval is made the investor shall be immediately notified so as to complete the rent procedure and signature of the necessary contracts within two months of the date of information and after insuring that he has been informed and such period has elapsed the approval shall terminate and the applicant shall lose his right on the deposit and in case the rejection of the application the investor shall have the right to recover the amount of the deposit.

If the investor desires to construct establishments of his own he shall be give a period of two months from the date of notification of the approval of the application thereto so as to submit the maps and technical specifications and such period may be extended for